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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
GARY PIERCE, CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

Arizona Corporation Commission

DOCKETED

JUL 25 2011

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
ITS OPERATIONS THROUGHOUT THE STATE
OF ARIZONA.

Docket No. E-01933A-07-0402

IN THE MATTER OF THE FILING BY TUCSON
ELECTRIC POWER COMPANY TO AMEND
DECISION NO. 62103.

Docket No. E-01933A-05-0650

Decision No. 72501

**Order Amending
Decision No. 70628**

**Open Meeting
July 12-13, 2011
Phoenix, Arizona**

BY THE COMMISSION:

1. Tucson Electric Power Company ("TEP" or "Company") is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission").

2. TEP's current rates and charges were approved in Decision No. 70628 entered December 1, 2008. In relevant part, Decision No. 70628 approved a tariff ("LXA Tariff") that eliminated and modified TEP's historical line extension tariff provisions in effect prior to Decision No. 70628.

3. Commission Rules (A.A.C. R.14-2-207.C) require electric utilities' line extension tariffs to include provisions for a certain amount of electric line extension footage to be provided to customers at no charge.

1 4. Without addressing A.A.C. R.14-2-207.C., Decision No. 70628 required TEP to
2 remove its "free footage" line extension provisions. Prior to Decision No. 70628, TEP's historical
3 "free footage" line extension tariff provisions included a free-footage allowance, in accordance with
4 the Commission's rules.

5 5. In April 2011, Commission Chairman Gary Pierce received requests from several
6 Southern Arizona chambers of commerce and construction organizations for the Commission to
7 consider initiating proceedings to modify Decision No. 70628 to reinstate TEP's historical line
8 extension provisions.

9 6. On April 27, 2011 at a Commission Open Meeting, the Commission directed
10 Commission Staff to file sample language consistent with TEP's historical line extension tariff
11 provisions in effect prior to entry of Commission Decision No. 70628. Staff filed sample language as
12 directed by the Commission on June 1, 2011.

13 7. On June 3, 2011, Chairman Gary Pierce docketed a letter to parties and stakeholders in
14 the above captioned dockets, seeking comments related to possible reinstatement of TEP's historical
15 line extension tariffs and the sample tariff language filed by Staff. Interested parties and stakeholders
16 docketed responses to the Chairman's letter on or about June 15, 2011.

17 8. On June 21, 2011 at a Commission Open Meeting, the Commission discussed and
18 considered these matters, including the docketed responses concerning the sample tariff language
19 filed by Staff. Thereafter, the Commission voted to reopen Decision No. 70628 pursuant to A.R.S.
20 § 40-252 with notice and opportunity to be heard for the limited purpose of future consideration of
21 amending the decision to reinstate TEP's historical line extension tariff provisions consistent with the
22 June 1, 2011 sample tariff language filed by Staff.

23 9. The Commission directed that this matter be placed on its July 12-13, 2011 Open
24 Meeting for proceedings pursuant to A.R.S. § 40-252 with notice and opportunity to be heard.

25 10. On July 12-13, 2011, the Commission held a proceeding in accordance with A.R.S.
26 § 40-252 with notice and opportunity to be heard concerning modifying Decision No. 70628 to
27 approve the reinstatement of historical line extension tariff provisions consistent with the sample
28 tariff language filed by Staff on June 1, 2011.

11. Upon due consideration of these matters pursuant to A.R.S. § 40-252, and in balancing the public interest, we find and conclude that it is in the public interest to modify Decision No. 70628 to approve the sample tariff language as set forth in Exhibit A filed by Staff on June 1, 2011.

ORDER

IT IS THEREFORE ORDERED that Decision No. 70628 is modified by the Commission to approve the reinstatement of Tucson Electric Power Company's historical line extension tariff provisions in the manner set forth in Exhibit A to replace Tucson Electric Power Company's current line extension tariff provisions.

IT IS FURTHER ORDERED that all other matters and provisions set forth in Decision No. 70628 continue to be in full force and effect, and are unchanged by this decision.

IT IS FURTHER ORDERED that Tucson Electric Power Company shall file a tariff in conformance with Exhibit A as its new line extension tariff as a compliance item in this matter within thirty days of this decision.

IT IS FURTHER ORDERED that this decision shall become effective immediately.

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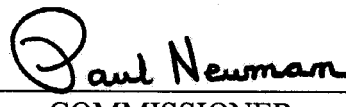
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Decision No. **72501**

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

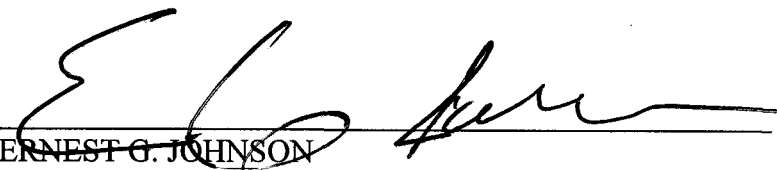

CHAIRMAN

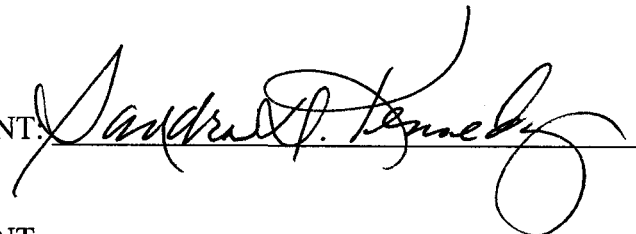

COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of Phoenix,
this 25th day of July 2011.


ERNEST G. JOHNSON
Executive Director

DISSENT: 

DISSENT: _____

COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION

PAUL NEWMAN
COMMISSIONER

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July 22, 2011

Arizona Corporation Commission
Docket Control

Re: Tucson Electric Power Company Line Extension Policy Issue
Docket Nos. E-01933A-07-0402 and E-01933A-05-0650

I am writing this addition to the decision to reinstate Tucson Electric Power's Line Extension tariffs. I voted for this item, which is an exception to my previous position and wanted to explain my position.

I believe I have a commitment from the Southern AZ Home Builders Alliance (SAHBA) to increase Energy Efficiency (EE) and Renewable Energy (RE) applications in new homes. I have asked to have maximum transparency and disclosure about the cost to ratepayers, as well as quarterly monitoring.

TEP assured the Commission that the cost for each ratepayer per month will be low, and neither TEP nor SAHBA anticipate that our previous high levels of growth will return soon. As long as growth is low, the cost will also be low.

I believe that growth needs to pay for itself. However, while Arizona's economy is suffering, I believe this may help with growth and so support it.

I also want to encourage RUCO to continue to monitor these costs, and appreciate their research on the cost to consumers. I want to add that I believe that solar rebates are a higher priority than 'free footage,' and that the Commission has a moral imperative to support a clean energy economy.

Sincerely,

A handwritten signature in black ink that reads "Paul Newman". The signature is stylized with a large, looped "P" and a cursive "Newman".

Paul Newman
Commissioner

Decision No. **72501**